

**Statement of the
Air Line Pilots Association, TWA Master Executive Council
Submitted to the
Committee of Commerce, Science and Transportation
United States Senate
“The Acquisition of TWA by American Airlines”
February 1, 2001**

The Air Line Pilots Association, Intl. (ALPA) is the collective bargaining representative for over 2,300 pilots at TWA, and over 59,000 pilots in the United States and Canada. ALPA has represented airline pilots since 1931.

TWA's future has been in doubt for many years, but its pilots have come through again and again to keep the airline flying. In the last 15 years, pilots alone have agreed to more than \$600 million in tangible concessions in reduced salaries and work rule changes. As a result, TWA pilots today make significantly less, on average, than pilots at other airlines who have equivalent seniority, expertise and training.

Despite those difficulties, ALPA and the pilots it represents have continued to work tirelessly to help TWA achieve success. Due in part to the efforts of TWA's pilots, TWA has achieved consistently high customer satisfaction rankings, on-time performance, and has one of the best safety records in the history of commercial aviation.

The pilots have played an integral role in TWA's future not only as employees, but also as stakeholders and creditors of the airline. Although others may have bankruptcy claims against TWA that contain higher dollar figures, no one has more invested in TWA than its employees—especially its pilots.

ALPA's primary concern regarding the proposed acquisition of TWA by American Airlines is for the long-term stability and professional growth of the 2,300 pilot jobs. However, ALPA believes that, in this specific situation, what is best for the pilots is also in the best interest of the traveling public, the hub state of Missouri, and the jobs, families, lives and communities of our 2,300 pilots and 20,000 TWA employees worldwide.

With all of these interests in mind, ALPA-represented TWA pilots support a complete, fair and sound resolution to this latest and, we believe, final chapter in our airline's history. This resolution will allow TWA and its many constituencies, including its 20,000 employees, to:

- Secure the long-term stability of 20,000 jobs that remain as good or better than they are now.
- Protect the medical and retirement benefits of past TWA employees. Even though ALPA does not represent its retired members in collective bargaining, no one would argue that fulfilling promises to retirees is the right thing to do.
- Avoid ongoing fatal damage from Carl Icahn, who is in no small part responsible for the situation which TWA now finds itself, and who has claimed he is willing to provide economic support to other interested parties.
- Advance a complete, fair and sound resolution, sparing those markets largely served by TWA from economic damage.

For these reasons, we submit that the offer from American Airlines to buy TWA's assets satisfactorily crosses the threshold and meets the criteria outlined above. It is an example of the complete, fair and sound solution we seek. We applaud American for coming forward with this proposal that recognizes the tremendous value of TWA.

In particular, American Airlines Chief Executive Officer Donald Carty has specifically committed in testimony before this committee "to hire all of TWA's employees and to continue

a hub operation in St. Louis.” We note especially and favorably Mr. Carty’s statement before the Senate Judiciary Committee on February 7 in which he stated, “We look forward to adding TWA’s 20,000 employees to the American Airlines family. We are keenly aware of TWA’s illustrious history and know that were it not for the hard work and great performance of the people throughout TWA, they would not be the perfect fit for American that we believe they are.”

Other bids for TWA’s assets are possible, but it is unlikely that any other proposal will be presented that will protect employees, retirees and customers. TWA’s financial weakness has been no secret, and during the months when, prior to bankruptcy, TWA management sought buyers, only American came forward.

We respectfully urge the committee to support the type of complete, fair and sound solution that we seek—a solution that fully addresses the interests of all parties from employees to creditors, consumers and communities; that is fair to all parties and, most important, is sound, ensuring a smooth transition from the TWA of today to a new and more promising future for all concerned.